

REMARKS

Amendments to the Claims

The amendment to claim 3 is to correct a grammatical error not affecting the scope of the claim.

The amendment to claim 8 reciting the apparatus of the invention is intended to bring the claim into alignment with claim 1 reciting the method of the invention, wherein the transport system is arranged to transport the banknotes from the input pocket to the checking device, from the checking device to the freely accessible storage pocket and to the not accessible storage pocket during the ongoing money deposit transaction. The transport device is also recited as arranged to transport banknotes from the not accessible storage pocket into the banknote cassette following the money deposit transaction.

Full support for the amendment to claim 8 is found in paragraphs [0014] and [0017].

Applicant submits that the amendment to claim 8 will not require further searching and does not raise new substantive issues given that the amendment language simply reinforces and makes explicit the original intended language of the claim, which is clear from the context of the original claim language.

The amendment to claim 12 is made to make clear that the state of the bills refers to their fitness state. The scope of the claim is unchanged.

Accordingly, Applicant submits that entry of the amendment to the claims is appropriate and the same is respectfully requested.

Claim Rejections – 35 USC §102(b)

The rejection of claims 1-6 and 8-12 under 35 USC §102(b) in view of Watanabe is legally flawed because Watanabe fails to disclose checking inserted banknotes for fitness for circulation and transporting at least part of the banknotes that were recognized as not fit for circulation into a storage pocket of the apparatus not accessible by the operator during an ongoing money deposit transaction.

In accordance with Watanabe, the incoming banknotes received during a deposit transaction are only checked for denomination and authenticity (column 7, lines 61-63).

Further in accordance with Watanabe, the banknotes received in the three storage sections 14, 15 and 16 are accessible to the operator during a withdrawal operation as

described in the patent beginning column 10, line 41 thru column 12, line 15. In accordance with such withdrawal or dispensing operation, the authentic and unfit banknotes in storage sections 14, 15 and 16 are circulated back through the "judgment section" 30 and only then are the unfit banknotes recirculated back to the storage section 14 (column 11, line 58 to column 12, line 8).

Thus, Watanabe discloses depositing all unfit banknotes in the three storage sections 14, 15 and 16 which are accessible to the operator for a dispensing transaction and it is only after a dispensing transaction has been initiated that the unfit banknotes are separated from the authentic banknotes by passing them a second time through the "judgment section" 30, following which banknotes judged to be unfit for circulation are circulated back to the storage section 14.

Clearly, the process and apparatus of Watanabe does not correspond with the apparatus of claim 8 and the method of claim 1 wherein banknotes received during a deposit transaction are checked for fitness for circulation and then, during the deposit transaction, are deposited into a storage pocket of the apparatus not accessible by the operator, following which the banknotes located in the not accessible storage pocket are deposited in a cassette not accessible by the operator.

The recited apparatus and method is far simpler than that disclosed in Watanabe, involves only a single inspection of the banknotes for authenticity and fitness, and ensures that at least part of the banknotes not fit for circulation are never available to the operator of the operator of the apparatus.

In accordance with Watanabe, for example, a banknote unfit for circulation conceivably could pass through the judgment section 30 and be dispensed to the operator instead of being recirculated into the storage section 14. Such a situation could not occur in accordance with the present invention because at least part of the banknotes not fit for circulation are inspected only a single time and are then transported into a storage pocket that is not accessible by the operator, and then are transported from the storage pocket that is not accessible by the operator into a banknote cassette also not accessible by the operator.

For the foregoing reasons, Applicant submits that the rejection of claims 1 and 8, as well as claims 2-6 and 9-12 dependent therefrom, are not anticipated under 35 USC §102(b) by the disclosure of Watanabe, which fails to disclose elements of the claimed invention.

With regard to the dependent claims 2-6 and 9-12, Applicant submits that these claims are patentable at least on the basis of the patentability of the independent claims 1 and 8 from which they depend.

Further with regard to claim 2, Watanabe fails to disclose a method wherein, at the beginning of a money deposit transaction, criteria are predetermined for the banknotes that are to be transported into either or both the freely accessible storage pocket and the not accessible storage pocket. As noted previously, Watanabe fails to disclose a not accessible storage pocket into which banknotes not fit for circulation are deposited during a deposit transaction.

With regard to claims 3-7, the examiner has failed to inform Applicant the manner in which Watanabe anticipates the recited subject matter. The examiner's comments with regard to claims 2-5 and 9-11 in particular are not understood by Applicant, as the examiner fails to specify the manner in which the subject matter recited in these claims is anticipated by Watanabe.

Likewise, Applicant remains uninformed with regard to the basis for the rejection of claims 6 and 12, these claims reciting that the apparatus and method contemplates changing of the criteria used by the checking device for checking the banknotes as to their fitness by the operator, a feature not found within Watanabe. The examiner's reference to column 10, lines 43+ in Watanabe refers to a dispensing procedure, not a deposit procedure. In accordance with claims 6 and 12, the banknotes are checked for fitness during a deposit transaction, and the criteria used for checking the fitness of the banknotes are changeable by the operator. This feature is not found in Watanabe.

For all the reasons given above, it is respectfully submitted that withdrawal of the rejection of claims 1-6 and 8-12 under 35 USC §102(b) is appropriate and the same is respectfully requested.

#### Claim Rejections – 35 USC §103

The rejection of claims 1-3 as reciting subject matter regarded as being obvious to a person of ordinary skill in the art under 35 USC §103(a) on the basis of the disclosure of Matzig considered in view of the disclosure of Watanabe is also legally flawed, as the basic reference Matzig returns all unfit banknotes to the operator in storage pocket 4, as clearly described in paragraph [0039] (“... all the banknotes not recognized by the checking device

10 or not suitable for circulation are transported via the diverter 11 to the output compartment 4”) (emphasis added). Accordingly, Matzig fails to disclose any form of apparatus or method by which banknotes unfit for circulation are delivered to a storage pocket that is not accessible by the operator during an ongoing deposit transaction.

The examiner recognizes this deficiency in Matzig but contends that Watanabe discloses transporting at least part of the banknotes recognized as not fit for circulation into a storage pocket not accessible by the operator during the ongoing money deposit transaction. As noted previously with regard to the discussion of the patentability of claims 1-6 and 8-12, Watanabe fails to provide any suggestion or teaching of the structure or apparatus that the examiner attributes to Watanabe in this rejection.

Moreover, based on the incorrect assumption that Watanabe transports bills not fit for circulation into a storage device not accessible by the operator during a deposit transaction, the examiner adopts the position that it would have been obvious to one of ordinary skill in the art to modify Matzig to include the retention of unfit bills in accordance with the presumed (but incorrect) disclosure of Watanabe “in order to accept all authentic notes that can be determined as such while preventing authentic but unfit bills from continued circulation”.

It is respectfully submitted that the examiner’s statement of motivation on the part of a person skilled in the art to modify Matzig is conclusory and without technical or other factual foundation. Applicant submits that it is incumbent upon the examiner to provide a clear statement as to why the claimed subject matter would be obvious to a person skilled in the art at the time the invention was made, whereby Applicant is informed precisely how and why a person skilled in the art would be motivated to modify the basic Matzig apparatus and process in a manner that would completely change the apparatus for its intended purpose and result in the apparatus operating in accordance with an entirely different process.

In Matzig, all unfit bills are returned to an output pocket freely accessible to the operator of the apparatus. In Watanabe, unfit bills are deposited in three storage sections 14, 15 and 16 which are later available to the operator for a dispensing transaction, during which the dispensed bills are checked again and the unfit bills are returned to one of the storage sections (14).

The examiner has failed to make clear to Applicant any possible motivation on the part of a person skilled in the art to modify Matzig in the manner suggested by the examiner

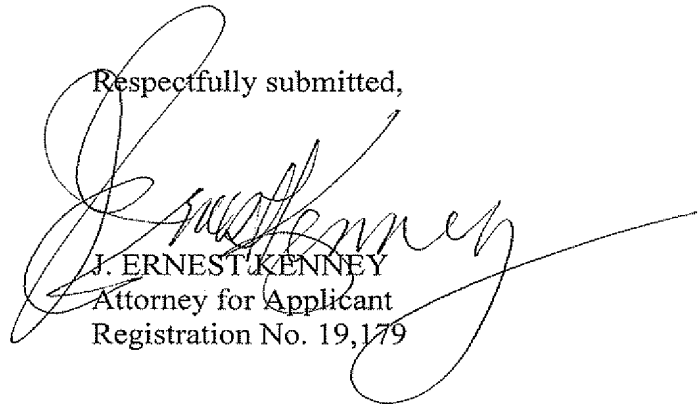
to arrive at Applicant's claimed apparatus and method. It would appear, on the other hand, that the examiner has engaged in classical prohibited hindsight in interpreting the disclosures and teachings of Matzig and Watanabe in a strained manner intended to establish evidence of obviousness of Applicant's claims, clearly proscribed by U.S. patent examination rules.

Dependent claims 2-7 and 9-13 are patentable at least on the basis of the patentability of claims 1 and 8, from which they depend, and furthermore are patentable in their own right as reciting subject matter that, regarded as a whole, would not be obvious to a person skilled in the art at the time the subject matter recited in the claims were made.

Withdrawal of the rejection of claims 1-13 under 35 USC §103 accordingly is appropriate and the same is respectfully requested.

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